



MICHIGAN CHAPTER

June 2, 2015

To: Chairman Nesbitt and members of the House Energy Policy Committee
RE: **House Bills 4303 and 4304**

Dear Chairman Nesbitt and members of the House Energy and Policy Committee,

The Sierra Club **OPPOSES** HB 4303 (B. Roberts), a bill which creates a process for companies to expand natural gas infrastructure into unserved/underserved areas. The primary reasons for our opposition are:

- It will allow utility companies to use “ratepayer money” for natural gas infrastructure expansion. This ratepayer money should instead be spent on repairing/replacing old natural gas pipelines, distributed generation, community renewable projects, or energy efficiency.
- The repair and replacement of old and leaking natural gas lines must be completed before we invest in building new ones. The language in this legislation that places a cap of \$5 million or 25% of annual replacement spending on this is a good start, but we shouldn’t be spending any money expanding pipelines until we’ve fixed our broken and outdated ones. Michigan currently has around 3,100 miles of old cast-iron natural gas pipelines crisscrossing the state, of which less than 20% have been replaced in the last decade. These old pipelines are high-risk and often leak, rupture or explode and pose a legitimate public safety threat.
- Spreading the funding for the natural gas pipeline infrastructure expansion across all ratepayers is unfair to urban and suburban ratepayers, who will be required to subsidize the majority of this investment. This subsidy also encourages sprawl into rural areas by reducing the costs of new building in greenfield areas, compounding the costs of expansion of the pipeline system as increased infrastructure costs in rural areas.
- Energy waste forces Michigan residents to spend money on natural gas and other heating fuels instead of buying Michigan products and investing in our economy. Extension and expansion of Michigan’s energy optimization and efficiency programs needs to be the top priority for legislative action on natural gas in 2015.

For these reasons, we urge you to vote NO on HB 4303. Votes pertaining to this bill will be included on the Sierra Club’s Legislative scorecard.

The Sierra Club **SUPPORTS** HB 4304 (Sheppard) which would prevent natural gas utilities from raising rates to pay for fines and penalties. This bill is a positive step toward establishing stricter accountability for utility companies when they fail to comply with the law.

For these reasons, we urge you to vote YES on HB 4304. Votes pertaining to this bill will be included on the Sierra Club’s Legislative scorecard.

Sincerely,

Mike Berkowitz
Legislative Director
Sierra Club Michigan Chapter